

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 354 - SB 526

March 2, 2009

SUMMARY OF BILL: Requires the Bureau of TennCare to pay 100 percent of the Medicare rate for orthotic and prosthetic services from Medicare eligible enrollees.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$609,100

Increase Federal Expenditures - \$1,746,000

Assumptions:

- According to the Bureau of TennCare, Medicare reimburses providers of covered orthotic and prosthetic services at 80 percent of a Medicare allowed rate. The proposed legislation will require TennCare to pay the remaining 20 percent to the providers when they are delivering services to persons who are dually eligible for TennCare and Medicare.
- The Bureau of TennCare estimates that the total cost of orthotic and prosthetic devices for FY09-10 is \$11,775,000. TennCare would be responsible for 20 percent, or \$2,355,000 of the cost.
- Of the \$2,355,000, \$609,050 will be state funds at a 25.862 percent rate and \$1,745,950 will be federal funds at a 74.138 percent match rate.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kml